

ATTACHMENT
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NEVYKLAUSYBINIŲ
ORGANIZACIJŲ
INFORMACIJOS IR
PARAMOS CENTRAS

Steigėjas - Atviros Lietuvos Fondas
Rėmėjas - Jungtinių Tautų Vystymo
Programa

Lithuanian Coalition Building for Philanthropy

Project final report

(Grant Agreement No.163-A-00-99-00001-00)

14 July 2000

Vilnius

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CERTIFIED FISCAL REPORT

DOCUMENTATION REGARDING PROJECT BUDGET AMENDMENT

COALITION MANAGEMENT BOARD

COPY OF COALITION DECLARATION AND SIGNATURES OF THE MEMBERS

FEASIBILITY STUDY REPORT (in Lithuanian)

Best Available Copy

INTRODUCTION

Civil society has made remarkable progress in Lithuania since Independence was regained in 1990, with over five thousand NGOs now playing an increasingly dynamic role in public life, and contributing to the solution of common problems. Yet NGOs face a number of constraints, many of which are caused by the legal framework regulating registration, activities and financial management of these organisations. There are other processes, which may have significant impact on the sustainability and development of Lithuanian NGO community. Among those, one of the most important trends to be considered is gradual withdrawal of many foreign and international donors from Lithuania. Although national and local authorities seem to accept the increasing role of NGOs, as well as their funding needs, governmental or municipal funding for NGOs seems to be growing slowly and cannot compensate for decrease of foreign funding, on one hand, and the increase of the number of NGOs, on the other hand. Local funding could be significantly increased from private and corporate sources, however the legal framework and operational obstacles do not contribute to the promotion of such funding.

Considering the constraints and trends mentioned above, joint action by NGOs was extremely important. Lithuanian NGOs were invited to build up an independent and sustainable mechanism - semi-formal Coalition - enabling them to participate in architecturing political/legal changes affecting civil society. Implementation of some necessary changes could create better conditions to ensure sustainability and development of NGOs. The moment was favourable, because the Lithuanian Government had taken its own initiative and started creating Permanent NGO Commission. This indicated a changing attitude towards the NGO sector and opened new opportunities for higher NGO influence in relevant decision-making.

However, even considering the occurrence of such Commission, a much broader and more influential NGO formation could serve as a strong driving force and a key to many relevant problems. The above-mentioned Coalition model seemed to be a good solution.

NGO Information and Support Centre has been one of very few institutions actively working with public authorities and other NGOs regarding improvement of Lithuanian NGO legal and fiscal climate. Having the understanding of the situation and certain experience in advocacy activities, it has developed the project intended to consolidate the NGO sector for the common interest and to take the advantage of certain political developments in Lithuania offering a good opportunity for improving non-profit funding and promoting philanthropic behaviour among Lithuanian citizens.

Best Available Copy

PROJECT OBJECTIVES

The project was intended to lay the foundation for a broad-based coalition initiative involving a wide range of public benefit NGOs, acting in concert, to collect and publish information, arrange public events, engage in advocacy, work with government officials and the media, and educate a wide audience concerning the crucial issue of philanthropy.

Specific areas of work planned for the first year of existence included lobbying and promotional campaign in order to establish procedures for citizens to contribute 2% of their tax liability to an NGO of their choice (part of the official Lithuanian Government Program for 1997-2000), and supporting official efforts to implement the Law on Charity and Sponsorship, in part by establishing a fair and transparent system for regulating public benefit NGOs. Along with these activities, the project included raising public awareness of the NGO sector,

The project was also aimed to increase public awareness about NGOs by invoking a discussion in press and media and to create a more favourable environment for implementation of the private tax-based donation by individuals, whenever a legal framework is created for that.

SUMMARY OF THE WORK PERFORMED

The project was launched in autumn 1999. As mentioned, the two main directions of activities were chosen in accordance with the general concept of the project. One of them was creation of the Coalition for Philanthropy, as a new advocacy tool for Lithuanian NGO community. The other, carried out simultaneously, was the promotion of so-called "2 % facility".

LITHUANIAN NGO COALITION FOR PHILANTHROPY

In the beginning of the project, the Initiating Group (IG) was established. Project coordinator has drafted the Declaration and Articles of Association, as well as some explanatory texts. All these documents have been disseminated to the IG members and revised several times, till consensus could be reached. This thorough preparatory work led to successful adoption of the documents by the NGO delegates during the Founding Conference. The IG has also prepared a letter to the Ministry of Finance regarding the formulation of the article in the Draft Law including the provision regarding the 2% dedication opportunity. The dialogue was successful.

The Coalition was officially formed during the Founding Conference on 28 January 2000. At this conference, authorised representatives of 62 Lithuanian NGOs have signed the Founding Declaration and Articles of Association

The Coalition was not officially registered as a legal entity and would function as an informal NGO association on the basis of the Declaration. It has approved Articles of Association and elected Management Board of 21 person in order to establish clear and comprehensive procedures for future activities. The Conference of the Members, which is the highest authority of the Coalition can eventually make decision regarding formal registration. At the initial stage of the Coalition, the daily work was to be carried out and coordinated by NISC acting as Coalition Secretariat, within the framework of the project sponsored by USAID. The Coalition will remain open to all Lithuanian NGOs and supportive individuals invited from other sectors.

The participants, including NGO delegates, guests from the Parliament and Government, press and media representatives, were given an overview of the concept, the background and the situation with regard to the Coalition and its goals. The text of the Declaration was read out loud and, with the consent of the NGO delegates, the Coalition was declared as founded. The ceremonial moment was followed by a review of the Articles of Association, and, after a short discussion, the NGO delegates were invited for a signing ceremony. After the signing ceremony, the founding members elected the Management Board of the Coalition.

Establishment of the NGO Coalition for Philanthropy was a new step in the process of development of Lithuanian NGO sector. The Coalition provides a mechanism that will allow a more efficient and organised advocacy for the common interests of the sector against the legislators and executive authorities. By participating in the Coalition, Lithuanian NGOs express their support to various initiatives aimed at improvement of the Lithuania's legislation to make it more favourable for philanthropy and NGO activities.

By the end of the project, the coalition has been steadily increasing with new NGOs joining in. Currently it has 85 members and more NGOs have expressed their will to become members but have not delegated representatives for signing yet. In remote regions the signing procedure is sometimes organised by the regional NGO centers.

THE 2% FACILITY

The Lithuanian "2% facility" was inspired by a success story of Hungary, where a similar scheme has been implemented since 1996. It was based on the statement in the Programme of the Lithuanian Government that taxation laws will be revised opening a possibility for individuals to dedicate up to 2% of their personal income tax either to religious communities for maintenance of church and monastery buildings or to charitable organisations. The original statement and the subsequent analogous article of the new draft law on personal income tax, however, were too restrictive, due to the fact that "charitable organisations" is a notion, not defined by Lithuanian legislation, and the use of donations by religious communities was also limited to maintenance of the buildings. NISC and the Initiating Group of the NGO Coalition for Philanthropy, founded later within the framework of the project addressed

NGOs that act for the public benefit, as well as to remove other limitations, as for the use of the money. Consensus was reached at this level, and the current formulation of the particular article states that this support will be available "to any legal entity that is entitled to receive sponsorship support in accordance with the Law on Charity and Sponsorship and that is included in a special recipient list compiled by the Government or its authorised institution". This formulation was considered as acceptable by the Coalition Board, and now the major concerns are to preserve it in this shape through the Governmental approval and Parliamentary consideration procedures. Unfortunately, recent political developments in Lithuania (including changes of the Government, economic crisis and the upcoming parliamentary elections) have created an unfavourable situation for implementing this legislative initiative. The provision regarding the 2% facility is a part of a very important law regulating taxation of individuals. The last Government, foreseeing the end of its office term, has made apolitical decision not to forward the draft law to the Parliament. The argument was that the law would have long-term implications, and the next Government should make these decisions by itself, so that it is then responsible for the consequences. Therefore, although the Government seemed to have nothing against the 2% facility in particular, the draft law itself is likely to get stuck till the change of the Government after the elections.

The strategy of the promotional activities therefore was double: on one hand, the work was focused on the current members of Parliament

Practical implementation problems remain open, for Lithuania does not have general income declaration mechanism, neither has it a law defining public benefit organisations, as the one in Hungary. The last problem could be resolved by the list referred to by the draft law, while the actual mechanism of dedicating the money by taxpayers and of transferring the money to the recipients remains to be discussed. The immediate goal of the Coalition, however, is to achieve that the flexible formulation included in the draft is retained as the law is going to be approved by the Parliament. In future the Coalition may seek for a compromise in the implementation and agree that at first the provision of the law is applicable only to those taxpayers who are required to declare their income. There should be eventual expansion of that population group till general declaration of personal income is introduced in Lithuania.

OUTPUT OF THE PROJECT

A material output of the project is mainly related with the promotional campaign in support of the 2% facility. During the course of the project, Mantas Zurba, the project officer, has participated in four radio programmes, presenting the Coalition for Philanthropy and explaining to the public the key concepts of the 2% facility. On presenting the creation of the NGO Coalition for Philanthropy, two members of the Coalition Board: Vaidotas Ilgius,

the director of NISC, and Linas Vainius, a leader of the Lithuanian Green Movement (Friends of the Earth Lithuania) also gave interviews.

A half-an-hour video film on philanthropy issues and the 2% facility was prepared on the concluding stage of the project and shown on the National TV channel on 14 July 2000. Special copies of the film are to be prepared by the producer in video cassettes and delivered to NISC for future awareness campaigns or other educational activities. The copies will be also distributed to the other NGO centers and the USAID office, as part of the report material.

A special feasibility study of the implementation of the 2% facility was ordered with a professional economist and journalist, Dr. Aušra Maldeikienė. The study included assessment of the political will, arguments in favour and against the initiative among various political groups and other constituents, as well as economic assessment of the implications of such facility to the national economy, budget revenue, social sector, etc. The results of the study were published as a special booklet and distributed first of all to the important decisionmakers during a special working seminar held at the Parliament on 28 June 2000. The publication is also being disseminated to the Coalition members, other interested NGOs, politicians, civil servants, business and media representatives.

Another important study carried out under the project was assessment of the non-profit sector and NGOs in Lithuania based on their registration data. The data was acquired from the Lithuanian Department of Statistics and supplemented with some data from counties, which has not been submitted to the Department. A comprehensive analysis of the sector was made. The publication presenting the results of analysis is being published at the moment and will be available in about a week. The publication is very timely, because for several years there have been no precise data regarding the NGO sector, and all numbers used in various context were of a speculative character. The analysis revealed that at the present there are about 9000 registered non-profit organisations in Lithuania, some 5500 of which could be considered as "typical NGOs". Of course, some of them are inactive or ceased to exist – the study gives some estimates of these, too. It also covers some more specific aspects of NGO sector: the type of registration, distribution patterns, age structure, number of paid staff, gender ratio in leadership, etc. The study will be a very useful tool for future promotion of the sector, estimation of its social and economic importance, development of a more favourable environment for philanthropy. The publication will be disseminated among politicians, governmental institutions, media, libraries, NGO resource centers and interested NGOs. A copy will be presented to the USAID office as soon as the publication arrives from the printers.

One of the products of the project is a web page of the Coalition. It contains concentrated information about the Coalition itself and its main activities, first of all – the 2% campaign. Information about the project, the Coalition and the 2% campaign was also published in the NISC magazine "Trečias sektorius", while Kaunas NGO Support Center, one of the project partners and subgrantees, has published several issues of its own newsletter "Podiumas" dedicated to these issues.

Information about the Coalition and the 2% facility was also prepared in a form of handout material disseminated in a series of events held under the project. The latter include the Founding Conference of the Lithuanian NGO Coalition for Philanthropy, a round table meeting with MPs in Vilnius, a regional conference in Klaipėda, series of seminars in Kaunas and the working seminar on the Draft Law on Personal Income Tax and Declaration of Personal Income at the Parliament which was the concluding event of the project and involved also Hungarian experts.

In addition to that, a small study of the NGO accounting problems was ordered with two professional accountants dealing with NGO book-keeping. The result of this study will not be published separately, it is a set of problems identified and recommendations regarding possible simplification of the non-profit accounting with references to particular pieces of legislation causing the problems. The report will be used for planning future activities of the Coalition. NGO accounting and related legislative initiatives may become of a special importance if the Ministry of Finance proceeds with the plans of drafting a differentiated accounting system based on specific financial indicators, such as turnover, profit seeking, etc.

FINANCIAL SUMMARY

The project budget has been used completely and in accordance with the budget reallocations kindly approved by the Mission Director Mr. Imhoff on 10 July 2000. Please find attached the last certified fiscal report for the period of June-July 2000, which also includes information on the overall expenditures of the project (See the Annex). The detailed information on project expenditures is available in hard copies only and is prepared for USAID inspection, as needed. Also, a detailed financial report was submitted by Kaunas NGO Support Center, a subgrantee according to the abovementioned Grant Agreement, regarding the use of the 5000 USD subgrant, and is also available for inspection. The Kaunas Center has also spent the whole amount of the subgrant according to the budget approved by you and myself. There were only minor variations, which did not constitute any essential budget amendments and are within the limits of 6 percent of the corresponding budget lines. The other sub-grant of 3000 USD originally allocated to Klaipėda NGO Information Center, was spent for project activities in Klaipėda and with cooperation with the mentioned Center, however, in agreement with the supervising USAID officer, most expenses were paid directly by NISC. The Klaipėda Center had received only a small instalment for organisational needs, which was used for paying the staff involved in organising a conference. The expenses were supported with documentation submitted to NISC.

As far as the assets or equipment purchased from the grant money are concerned, the acquisitions by NISC included only two pieces of furniture, a UPS (power supply module) for a PC and several PC upgrade articles:

only minor pieces of equipment, as approved in their subgrant budget: a voice recorder and a photo camera for publishing activities, as well as a screen and an overhead stand for presentations. All these articles are properly supported by the financial documentation. We hope USAID will kindly permit the two Centers to keep the articles acquired for future use.

CONCLUSIONS

In general, project could be considered as successful one. Indeed, the Coalition for Philanthropy has been established and is steadily increasing. It provides an additional mechanism for backing up the key interests of the third sector in Lithuania, in addition to the existing individual advocacy practices and the Permanent NGO Commission at the Government of the Republic of Lithuania. The Coalition has a semi-formal structure, which minimises its administrative costs and provides a very flexible mechanism of management and communication. This means that the Coalition can survive difficult periods with sparse resources, and it can be used more proactively when more funding is available. The Coalition can be involved in many issues relevant to the entire sector and can be naturally dissolved in case all of these general issues are resolved, which is hardly possible in near future.

The main short-term goal of the coalition, regarding the 2% facility could not be implemented in a form of a operating law, however this was caused by political reality and absolutely beyond control of the project team or the Coalition. On the other hand, the 2% facility received a lot of publicity, politicians increased their awareness about the initiative and the third sector as such. A civilized dialogue between the politicians and public officials on one side and the NGO representatives on the other side has contributed to strengthening the image of the NGOs as professional people and serious partners in decision making processes. Hopefully, this will contribute to further increase of transparency, higher public participation and increasing mutual trust between various sectors.

Finally, the project produced some valuable material output and contributed to better awareness of the NGOs among public, positive dialogue with businesses on philanthropy issues and consolidation of the sector itself.

The project team and the members of the Coalition would like to express their gratitude for the kind support provided by USAID for the implementation of this project.

Sincerely,



Mantas Zurba

Project coordinator

Annex. Supplementary Material

CERTIFIED FISCAL REPORT

NISC

The following is summary fiscal report No. 11 for the period of June-July 2000

related to the Grant Agreement No.163-A-00-99-00001-00

The report also presents the final spending of the grant money in accordance with the approved amended budget

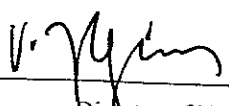
Budget Line Item	US dollars			
	Amount	This period	Total to date	Budget Balance
Salary of the project officer*	14 800.00	3 453.05	14 800.00	0.00
Rent and utilities	3 061.85	1 061.82	3 061.85	0.00
Sub-grants to other NGO centers	7 772.90	0.00	7 772.90	0.00
Honoraria for studies, reports, presentations, etc.	3 909.67	1 954.03	3 909.67	0.00
Publications and reports	3 344.27	3 344.27	3 344.27	0.00
Telephone, fax, distribution costs	308.89	0.00	308.89	0.00
Office supplies	1 414.34	285.84	1 414.34	0.00
Meetings, conferences	7 488.71	4 056.82	7 488.71	0.00
Philanthropy website development	1 995.00	0.00	1 995.00	0.00
Media campaign	1 500.00	1 500.00	1 500.00	0.00
Administration expenses**	4 404.37	373.28	4 404.37	0.00
USAID TOTAL	50 000.00	16 029.11	50 000.00	0.00

NOTES:

* Includes adjustment for March, April, and May salary lines. The adjustment does not have effect on the overall budget of the project and the particular budget line.

** Includes adjustment compensating for the bank charges reported in October, November and December before clarification that these expenses cannot be covered by USAID.

The undersigned hereby certifies: (1) that the above requested amount represents the best estimate of funds needed for disbursements to be incurred over the period described, (2) that appropriate refund to AID or credit to the Agreement will be made in the event of disallowance with the terms of the Agreement, (3) that appropriate refund to AID or credit to the Agreement will be made in the event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to A.I.D

By:  Vaidotas Ilgius

Title: Director of NGO Information and Support Center

Date: 14 July 2000

OFFICE OF USAID/LITHUANIA

Tauro 12
Vilnius 2001
Lithuania

TEL: (370-2) 22-16-66
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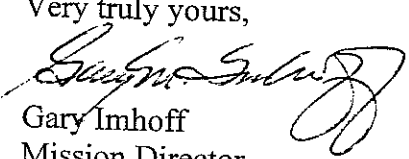
10 July, 2000

Mr. Mantas Zurba
Project Coordinator
NGO-Information and Support Center
Jaksto 9
Vilnius

Dear Mr. Zurba:

Thank you very much for your letter of July 5, explaining the current financial situation of and expenditures under the USAID-sponsored Coalition Building Project. We have reviewed the requested revisions to the Project Budget, which do not reflect any changes in total amount, but merely make small adjustments to the budget lines in accordance with the work actually necessary and being performed. I am pleased to inform you that USAID approves your requested budget revisions. Please make sure that the final expenditures conform to the itemized Budget Allocation Request that accompanied your letter. We look forward to learning more details about the results of your work in the Final Report.

Very truly yours,



Gary Imhoff
Mission Director

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Steigėjas - Atviros Lietuvos Fondas
Rėmėjas - Jungtinių Tautų Vystymo
Programa

5 July 2000

Vilnius

To: Mr. Gary Imhoff
USAID Mission Director

Re: NGO Coalition for Philanthropy project budget reallocations
(Grant Agreement No.163-A-00-99-00001-00)

Dear Mr. Imhoff,

On finalising the above-specified project kindly supported by USAID, we would like to approach you with a request to approve some budget reallocations for the project without any impact on the overall amount of the grant. The need for these reallocations was mainly caused by slightly shortened project implementation period due to the closedown of the USAID office in Vilnius, as well as due to some adjustments in the project implementation caused by certain political processes.

The requested reallocations of the budget are presented in the Annex. The major changes are related to much lower communications costs, which could be partially covered from other sources, and higher conference costs due to involvement of Hungarian experts at the last stage of implementation of the project. Also, a shorter period of implementation allowed some savings on administrative and salary lines. NISC would be happy to use more money on rent and utilities, which originally covered only two-month expenses. Some other minor adjustments were made merely for the simplicity of the project closedown. Considering that the project is practically finished and the actual expenses are clear, we decided to include them in this request so that the new budget matches the actual expenses and makes project accounting and closedown even more simply.

To your information, the financial documentation of the project has been recently reviewed by Ms. Ramunė Biekšienė and Mr. Mark Segal, and no essential remarks were made. The inspection did not cover only the latest documentation which was still to be processed. We hope therefore, that there will be no problems with the financial part of the project.

As far as the content is concerned, let me briefly inform you that we consider the project to be quite successful. Of course due to its nature, the project was closely related with, and highly dependent on, the political processes in Lithuania. The recent political and economic turbulences in Lithuania have had some negative impact on the progress of the lobbying part of the project. The targeted draft legislation was delayed by the Government and has little chance to be adopted by the current Parliament. The issue of philanthropy, however, received broad publicity and was placed rather high on political agenda. Various political groups have developed awareness about the issue. Therefore we expect the impact of the project to last and to yield some results in the new political environment to occur after the elections. As far as consolidation of the NGO sector is concerned, the NGO coalition was successfully established and now complements the overall advocacy mechanism emerging in the country. In addition to that, business and media have also been involved in highlighting and discussing the problems related with philanthropy in Lithuania. Some of the information could be taken for a basis of the new efforts to be undertaken by the NGO Coalition for Philanthropy. We believe that USAID support has made a significant contribution to promoting and strengthening civil society in Lithuania.

Special thanks should be also expressed to Mr. Mark Segal, whose care and advice allowed to focus our efforts more efficiently and helped to resolve some practical issues. The requested principal reallocations have been discussed with him as well, although the final calculations were done by the project coordinator based on the actual financial documents.

More detailed information about the project implementation will be presented in very near future in the final report. As for now, we kindly request your approval of the suggested budget (attached).

Sincerely yours,

Mantas Zurba
Project coordinator

Annex: Budget reallocation request

NISC

The following is budget reallocation request
related to the Grant Agreement No.163-A-00-99-00001-00

Budget Line Item	US dollars		
	New proposed budget	Original approved budget	Reallocation requested
Salary of the project officer	14 800.00	15 000.00	-200.00
Rent and utilities	3 061.85	2 000.00	1061.85
Sub-grants to other NGO centers	7 772.90	8 000.00	-227.10
Honoraria for studies, reports, presentations, etc.	3 909.67	4 000.00	-90.33
Publications and reports	3 344.27	3 000.00	344.27
Telephone, fax, distribution costs	308.89	2 500.00	-2191.11
Office supplies	1 414.34	1 500.00	-85.66
Meetings, conferences	7 488.71	5 500.00	1988.71
Philanthropy website development	1 995.00	2 000.00	-5.00
Media campaign	1 500.00	1 500.00	0.00
Administration expenses	4 404.37	5 000.00	-595.63
USAID TOTAL	50 000.00	50 000.00	0.00

By: Mantas Zurba



Title: Project coordinator of NGO Information
and Support Center

Date: 5 July 2000

Management Board of the Coalition

Name, last name	Organization
Vaidotas Ilgius	NGO information and Support Center (NISC)
Linas Vainius	"Atgaja" Community, Lithuanian Green Movement, Friends of the Earth Lithuania
Ugnius Savickas	Kaunas NGO information and Support Center (KNOPC)
Šarūnas Liekis	Open Society Fund Lithuania
Birutė Vėsaitė	Kaunas Women's Occupancy Information Center
Romualda Navikaitė	Lithuanian Children's Fund
Artūras Deltuva	Social and Psychological Support Fund
Arūnas Kučikas	Kaunas Union of Youth Organisations "Apskritasis stalas", Actio Catholica Patria
Eglė Čaplikienė	Ministry of Labour and Social Security
Kristina-Ona Polukordienė	Youth Psychological Support Center
Liucija Stulgienė	Musicians' Support Foundation
Vytautas Valevičius	Klaipėda NGO information and Support Center (KNIC)
Loreta Trakinskienė	"Gelbėkit vaikus" (Save the Children)
Balys Stankus	CARITAS of Vilnius archdiocese
Ričardas Liškauskas	Youth Spiritual Support Center
Aloyzas Sakalas	Parliament of the Republic of Lithuania
Vytautas Toleikis	Educational Change Foundation
Algirdas Kunčinas	Society of Lithuanian Secular Culture, Vilnius City Council
Artūras Melianas	"Vaikai ir pasaulis" (Children and the World), Vilnius Municipal Board
Vincentas Dienys	Lithuanian Association of Adult Education
Romas Pakalnis	Vilnius Nature Conservation Society



Final report

of the project initiated by
NGO coalition for philanthropy,
supported by USAID
and coordinated by
Kaunas NGO support center

Content

1. General report
2. Annexes for general support
3. Financial report
4. Copies of financial documents



General report

Introduction

Kaunas NGO support center (KNOPC) is one of the four NGO centers in Lithuania. All the centers are in a very close cooperation within unification of NGO resource centers "Network". KNOPC for the second year is the coordinator of the Network. Being very active in all the activities concerning development of the third sector, KNOPC itself and together with the partners is very concerned about the nearest future of the whole third sector in Lithuania.

NGO information and support center has received financial support for the very concrete activities in promotion of philanthropy ideas as well as concrete steps towards liberalizing some philanthropic activities for all parties (government, NGOs, business). These activities were supported by US AID under the project "NGO coalition of philanthropy".

KNOPC took a role in the project preparation, organization as well as further implementation. KNOPC participated within the initiative group of the whole Coalition (later elected as a board member) and agreed with the project ideas from the very beginning.

KNOPC participates in carrying out activities of the Coalition in Kaunas City and Kaunas region.

Aims of the project

According to contract signed between NISC and KNOPC these were necessary to handle out:

- to produce informational material about NGO coalition for philanthropy in detail describing its nearest aims;
- to organize (coordinate, take care about logistics etc.) several meetings / seminars / round table discussions with different groups of the society;
- continuously inform interested parties about the activities of the Coalition;
- to ensure spreading the ideas of philanthropy and its successes.

Project results

According to the project aims and targets, KNOPC took a role of Coalition representative in Kaunas region and organized these activities:

- 6 meetings, round tables, discussions;
- 4 issues of informational bulletin;
- general project coordination;
- new ways of promoting ideas of philanthropy;
- planning and preparing further activities.

Meetings and conferences

1. Kaunas NGO support center together with two umbrella organizations (Kaunas union of social NGOs and Kaunas union of youth NGOs) organized a campaign before the elections to local government.

NGO related issues with political parties and to find out their position before they become governmental parties. This forum was very successful in terms of educating and informing political parties about the importance of third sector and its role in the society. Coordinator of the Coalition made a presentation about the possibilities to implement the system of deduction of 2% of personal income tax to the chosen NGO or other charitable purposes. The outcome was that all participants (representatives of political parties) supported this idea and agreed with it.

2. Special meeting of Coalition with Kaunas NGO representatives was held on 09th of June. It took part at Vilniaus street 7, a conference hall of archbishop's youth center. See the evaluation of the meeting annex 1.

3. Coalition meeting with representatives of different political parties in Kaunas was held on 16th of June at the conference hall of the hotel "Santaka", Gruodžio street 21. Evaluation of the meeting annex 2.

4. Coalition meeting with representatives of different business companies and strongest NGOs held on 20th of June at the conference hall of the hotel "Santaka", Gruodžio street 21. Evaluation of the meeting annex 3.

5. Separately from all special meetings, representatives of KNOPC met representatives of Lithuanian Catholic Church to also discuss positions of both parties concerning "2% law". The outcome of the meeting is that Church also supports the idea of making this available to many more charitable and community serving organizations.

6. Some several round tables with business representatives (Kaunas Rotary club), politicians, and local NGO groups (ecological, business, social) were organized.

Coalition project and its activities became a part of day to day work of KNOPC. Spreading information now always includes news from Coalition, talking and advising NGOs also will end up with information and promotion of local philanthropy.

Informational bulletin

All the activities of the Coalition and all efforts to implement "2% law" are "dead" without previous promotion and information giving to ordinary NGOs and the whole society. As a part of the project KNOPC was publishing informational bulletin "Podium for NGOs". This was a tool of information spreading within NGOs, business people, government, local and international organizations supporting NGO activities. During the project period KNOPC succeeded to organize a team of 7 volunteers (most of them are students of journalism) writing articles and gathering information. Small equipment (photo camera and voice recorder) helped us to be much more effective and professional. 4 issues of bulletin were produced using project resources. It is important to mention, that informational bulletin is not a temporary activity. It is a continual information-spreading tool, which is published and distributed to NGOs monthly. KNOPC will keep the bulletin alive as a tool of information giving needed by NGOs (we feel it clearly while getting feedback from NGOs). Informational

Final report

bulletin serves as a toll for promoting successful activities of local businesses ("Narbutas & Ko", "Kvarclita", "Arbata, prieskoniai, kava" etc.). Informational bulletin joins local information together with national and supports the only one national NGO newsletter "Third sector".

General project coordination

The fact that KNOPC is a board member of the Coalition helps to be in the very center of all information and activities thus enabling KNOPC to inform other NGOs and interested parties about the activities of probably the biggest unification of NGOs in Lithuania. Project activities and all expenditures were made in a properly way accordingly to the project budget lines:

1. Honoraria or other staff payment. Was paid to the people working directly for the Coalition. This included: technical staff for Coalition meetings, editor and designer of informational bulletin;
2. Meetings, conferences. These were used directly for preparing and handling meetings and round tables, sometimes including light refreshments, providing participants with all the Coalition material (see at the very end of the report folder);
3. Informational bulleting. All the money where spent to cover necessary costs of preparing and publishing the informational bulletin.
4. Communication expenses. As the period of project was almost half of the year it was easier to fully cover bigger part of communication expenditures for one month, rather than many times cover small amounts. Both: one bigger or several small expenditures for communication are equal and proportional to the real usage of phone and fax for project purposes.
5. Postal expenditures. These were used for postal services while sending informational bulletin and Coalition material to interested parties. Informational bulletin is sent to almost 400 receivers (NGOs, Embassies, local and national governmental institutions, foundations and other organizations supporting NGO activities).
6. Material copying and binding. Money allocated for copying and binding helped us to prepare good quality and professional material representing whole Coalition. A binder that was bought during the project will enable us to produce the same quality material for the future promotion and general activities of the Coalition.
7. Voice recorder, photo camera. As it was mentioned before, this equipment helped team of journalists to be much more effective in information gathering and professional in its representing. These will serve Coalition and the Center in future as well.
8. White screen, stand for overhead. During the project it was planned to have several meetings and round table discussions, it was very clever to gain this equipment what allows us to use the finances in more effective way. All meetings or other Coalition events in Kaunas region will be equipped by these,

Final report

what will allow us to save money (use own equipment instead if paying rent; work in saving mode).

9. Storage units. It is very important to have all the information up to date and organized in a proper way. The entire folders and storage unit is used for better promotion and much more effective organization of information.
10. Office supplies. Each project runs in some premises using electricity, equipment, and other resources. These were mainly used to partly cover some basic office expenditures.

Philanthropy promotion

KNOPC in cooperation with several business companies have worked out a very simple but very important and effective way of promoting philanthropy within the business companies. At the moment KNOPC is implementing a KNOPC Client Card which allows NGOs to get discounts or free services at special places. Initial agreements about discount are for the coffee and tea (as NGOs usually have lot of seminars and meetings), for the office furniture, for the photo library services, for advertising services. Client Card serves as a very first approach towards business making them aware of the size of the third sector, which in future will for sure develop to separate philanthropic activities.

Future activities

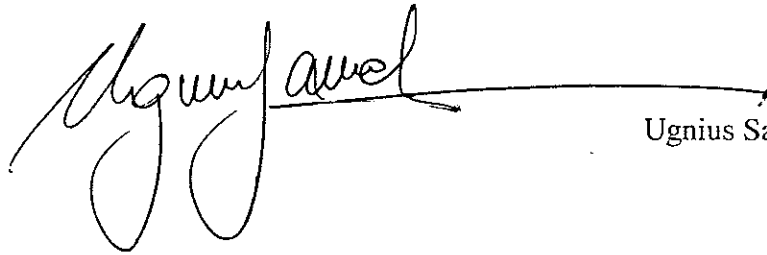
KNOPC is keen to encourage and increase business involvement in philanthropic activities towards NGO activities with a purpose to „open“ alternative resources for NGOs making them more self-sustainable. Previous experience describes the most important obstacles building up a tradition of philanthropy in Lithuania; mainly there is lack of information, lack of awareness, lack of trust. All the others (legislation, taxation and other documentation) seem to be of a second importance.

KNOPC is achieving a constant and long-term co-operation based on both partners' benefit. While aiming to start comprehensive activities in reaching targets, KNOPC is planning to fulfil a comprehensive research on NGO – Business closer co-operation possibilities. Qualitative research will include Kaunas City and Kaunas region enterprises interrogated by professional questionnaires. Questionnaire will answer whether there are good opportunities for closer and more active philanthropy, what are the main obstacles, what would encourage greater business involvement in society life and activities by means of support for NGOs. Further philanthropy promotion activities will be designed accordingly to the results of research. This will include philanthropy promotion based on successful examples, as well as enabling NGOs and Business meeting each other and together finding ways of common activities. This will be achieved in way NGO and business representatives' together work out "The Statement of Principles" for closer co-operation. Following "The Statement of Principles" NGO representatives will be encouraged to act in a transparent and best serving way recognised by business representatives. "The Statement of Principles" together with good local and international examples, as well as comprehensive explanation on what really the philanthropy is and how it benefits both parts will be published as a handbook. The handbook will incorporate experience of Centres partners in Romania, Latvia, Slovakia and if possible Poland (countries that are at

some points similar to Lithuania). Situation in these countries seem to be likely the same so therefore methodologies worked out in Kaunas could be easily adopted and multiplied in other regions of Lithuania with the help of Coalition partners.

It is important to stress that UNDP have agreed to support half of the research mentioned above (4000 USD), World Bank Lithuania office have agreed to support a working session to work out "The Statement of Principles" (4000 USD). This is very important and very clear example on how effective and successful activities attract more resources and more new ideas if they are designed in a long-term perspective having a clear strategy.

Director



Ugnius Savickas

Best Available Copy

APPENDIX B

To: John Morgan@EK
From: Ramune Bieksiene@DEM
Cc: Mark Segal@DEM
Bcc:
Subject: 2 review of expenditures
Attachment:
Date: 7/17/00 10:19 AM

MEMO

Subject: To check accounting issues of the NGO Coalition Building Project.
Date: June 30, 2000

We (Mark and me) met the Project Manager Mantas Zurba at their premises (Jaksto str.). I had a possibility to review their Statements of Certified Fiscal Reports for every month and all expenditures they have made from the beginning of the project till the end of June, except expenditures for the last event, which was held in Kaunas. The NGO Center/Coalition Building Project Manager is using a computerized system for all project income and expenditures. All documents and receipts are stored on a monthly basis. In general, we found the system and procedures to be in accordance with USAID Regulations and Lithuanian laws and accurate, except a few mistakes, which should be improved:

1. The amount of the salary for Project Manager for June should be decreased, because for May it was by accident increased almost twice;
2. A few amounts should be transferred to Tax Income Inspection as an income tax, because total amount was included into the Statement for approval of expenditures;
3. The project Manager have to prepare and to sign an agreement with KNIC, on which basis the amount of money was already transferred to KNIC for services. According the documentation NGO Coalition Building Project has today, they legally did incorrect transaction of money to KNIC, because an Authorized Agreements are signed between KNIC and their staff. There is no agreement on which basis the transfer of money was done to KNIC.

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*all issues resolved as per financial
review on July 17, 2000*

Mark Segal

APPENDIX C

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Lithuania

TEL: (370-2) 22-16-66
FAX: (370-2) 22-95-54

15 July, 2000

Mr. Mantas Zurba
Mr. Vaidotas Ilgius
NGO Coalition for Philanthropy
NGO-Information and Support Center
Jaksto 9
Vilnius, Lithuania

Dear Messrs. Zurba and Ilgius:

I am very pleased to inform you that USAID accepts the Final Report on the NGO Coalition Building for Philanthropy Project, and that USAID also approves the financial documentation/statements that have been submitted. Accordingly, it is now possible to successfully close the USAID files on this Project.

As you know, under USAID regulations the informational materials and items purchased under the Grant are now the property of the NGO-Information and Support Center in Vilnius and the NGO-Support Center in Kaunas, respectively, provided that they continue to be used for Project related purposes. If you have any questions, please do not hesitate to contact me.

Thank you very much for your work on this Project, and best of luck with your future endeavors.

Very truly yours,


Mark Segal